

4 September 1964

OCI No. 0347/64 Copy No. 76

WEEKLY SUMMARY

State Dept. review completed.

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

25X1

227526/ SECRET

GROUP 1 x luded from automatic.



CONTENTS

(Information as of 1200 EDT, 3 September 1964)

THE COMMUNIST WORLD	Page
PEIPING STRIKES ANOTHER BLOW AT MOSCOW CONFERENCE It is trying to convince leaders of other parties that Moscow's proposal for a "unity" conference will lead to a formal split. The USSR, however, appears determined to go ahead with the preparatory meeting.	T.
AGRICULTURAL SITUATION IN COMMUNIST COUNTRIES Crop prospects are improved over a year ago, largely because the grain crop in the USSR promises to be the best since the estimated record harvest in 1958.	
RECENT MILITARY DEVELOPMENTS IN CUBA There has been a relocation of a cruise missile storage base and the transfer of additional sub-chasers to Cuba.	4
CHINESE MERCHANT FLEET EXPANDING INTERNATIONAL OPERATIONS Peiping is stepping up domestic construction and pur- chases of western ships to bolster its merchant fleet.	4 Î.
CHEMICAL FERTILIZER AVAILABILITY IN COMMUNIST CHINA Net imports have apparently dropped enough to offset the 20-percent increase in domestic production this year, wi the result that last year's total of 4.5 million tons is unlikely to be bettered.	ith

ASIA-AFRICA

KHANH RESUMES LEADERSHIP IN SOUTH VIETNAM

He remains under heavy pressure from Buddhists, political and student groups, however, and his relations with Generals Khiem and Minh remain unclear.

SECRET

4 Sept 64 CURRENT INTELLIGENCE WEEKLY SUMMARY Page

Approved For Release 2008/06/30 : CIA-RDP79-00927A004600030001-0

25X1

ASIA-AFRICA (continued)	Page
LAOS TALKS MAKE LITTLE PROGRESS In their initial meetings in Paris neither Premier Souvanna nor Pathet Lao leader Souphannouvong have shown an inclination to compromise.	7
AREA NOTE On India	7
AFGHAN KING PUSHES CONSTITUTIONAL REFORM The plans to modernize political institutions face a major test in an extraordinary congress of tribal chiefs next week.	25X1
CYPRUS TROOP ROTATION CRISIS DEFERRED Ankara's postponement of the scheduled rotation of its troops put off a threatened showdown	10 25X1 25X1
CONGO GOVERNMENT GAINS IN KATANGA Rebels have cleared all major towns there, but are still virtually unopposed in the north.	11
EUROPE	
	25X6
	l l
SECRET	

Approved For Release 2008/06/30 : CIA-RDP79-00927A004600030001-0

SECRET

EUROPE (continued)	Page	
		25 X 1
AREA NOTE On Italy	15	
DISSENSION IN THE SPANISH COMMUNIST PARTY Pro-Chinese elements have formed their own organization and the party itself has purged important proponents of a soft line in domestic affairs.	16	
WESTERN HEMISPHERE		
HAITIAN REBELS STILL SUCCESSFUL Rebel forces continue to harass government troops, in- flicting moderate casualties. New weapons might help the army, but the government would still have to over- come the poor morale of its forces.	17	
BRAZILIAN GOVERNMENT FACES GROWING POLITICAL PRESSURES Castello Branco's government is being pressed by left- ists, opportunists and hard-line elements of the militar but the regime plans to continue its socioeconomic reforms while watching the opposition's strength.	1 7 ry,	
COLOMBIAN CAMPAIGN AGAINST COMMUNIST GUERRILLAS The army is finding the highly organized Communist guerrillas in the Marquetalia region an elusive force which evades a head-on attack in favor of ambushes.		

SECRET

4 Sept 64 CURRENT INTELLIGENCE WEEKLY SUMMARY

Page iii

The Communist World

PEIPING STRIKES ANOTHER BLOW AT MOSCOW CONFERENCE

Peiping's abusive open letter to the central committee of the Soviet Communist Party on 30 August is its latest maneuver to block the preparatory meeting of representatives from 26 key parties called by Moscow to discuss problems of unity by 15 December. Although the Chinese do not declare explicitly that they will boycott the gathering, their letter is designed to convince leaders in other parties that cooperation with Moscow's proposal will create a formal split. Apprehensions on this score have acted as a brake on Moscow's previous efforts to force a showdown with Peiping.

The Chinese assert that Russian efforts to call a meeting are illegal and declare that they will never take part in such schismatic activities or share the "responsibility for splitting the international Communist movement." To forestall a rebuttal that Chinese obstructionism is blocking attempts to solve the unity problem, Peiping once again urges the necessity for an international Communist conference. They insist, however, that it must be preceded by "ample preparations"--which should include thorough consultations among "all the fraternal parties."

North Korea promptly echoed the Chinese line in an editorial in Nodong Sinmun on 31 August which bitterly denounced Moscow's maneuvers for the preparatory meeting and an early conference. Like the Chinese, the Koreans

avoid saying specifically and directly that they are turning down the Russian invitation.

Making it perfectly clear that they are talking about Moscow's proposal, they condemn moves which would lead to a split and declare they will never participate in a conference which would lead to this result.

The Chinese and Korean attacks on the proposal for a preparatory meeting will probably encourage the growth of opposition to the Russian scheme inside the Communist world. The other Far Eastern parties invited to the meeting -- North Vietnam, Japan, and Indonesia -- can be expected to back the Chinese view. Moscow's idea has not been received with enthusiasm even by all the normally pro-Soviet parties and thus far only nine of those invited have come out in favor of the December meeting. The Russians can expect at least another eight parties to accept their invitation eventually, but it is not yet clear whether Moscow will be able to secure the participation of the important Rumanian and Italian parties.

The Rumanians apparently still hope to get Moscow to alter, if not abandon, its plans for a meeting in December. The Chinese sent a high-ranking delegation to Rumania's independence day celebration and are doing everything they can to encourage these efforts. Soviet trouble-shooter Podgorny reportedly failed to get assurances of cooperation during

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY

The Communist World

his visit to Bucharest on 27-28 July and in a series of recent press conferences Rumanian officials carefully evaded questions concerning the conference. Bucharest still has not published the text of the Russian proposal.

Moscow is trying to appear determined to go ahead with the preparatory meeting. In a 27 August speech in Prague Khrushchev declared "we cannot sit with arms folded and wait until all is resolved through the laws of history." The Soviet premier warned that "an essential condition for the restoration of Com-

munist unity is intense activity on the part of Communist parties."

If the Russians carry through with their plans it appears likely that Peiping will counter by organizing a meeting of its own supporters. It hinted at this intention on 19 August by publishing a New Zealand party resolution—issued during July—which opposed any meeting without adequate preparations and suggested a conference of parties which shared this view for "coordination of policy" if Moscow attempted to force its plans on the rest of the Communist world.

25X1

AGRICULTURAL SITUATION IN COMMUNIST COUNTRIES

As of August 1964, crop prospects in the Communist world looked better than a year ago, largely because the grain crop in the USSR promises to be the best since the estimated record harvest of 1958. Crops in the European satellites probably will be no more than average, while the harvest outlook in China is for some improvement over 1963.

By late August, over half the USSR's grain harvest was in. Harvesting was nearing completion in the Ukraine, Moldavia, and North Caucasus and was well under way in the crucial new lands area. Bad weather there in the next few weeks could cause large losses because of the perennial difficulties with machinery and transport, a compressed

harvesting schedule caused by a two-week delay in the ripening of crops, and a lack of adequate storage facilities. Khrushchev's recent trip highlighted the importance attached to completing the harvest satisfactorily.

The production of vegetables and potatoes in the central and western regions of the USSR suffered somewhat from a hot, dry June. Good rainfall in July, however, has improved the condition of spring crops in most of the European USSR, and fairly satisfactory crops of corn, sugar beets, and sunflowers are expected.

In the European satellites, the forecast is for another mediocre agricultural year. Only Hungary is expected to increase

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY

The Communist World

grain production significantly over the below-average 1963 crop, and only in Hungary and Rumania is the outlook for fall-harvested crops favorable. Yugoslavia's wheat harvest was down an estimated 15 percent from last year, and reportedly is 1.2 million tons short of domestic needs. There may be a bumper crop of corn, however, unless the weather turns bad. The livestock feed situation looks better than at the same time last year.

Inadequate precipitation, unusually hot weather, and low soil moisture have contributed to the generally poor outlook. Except for Rumania, which apparently will be a net exporter of grain again in 1964, all these countries will depend on Western sources for a large share of their grain imports in 1964-65, in spite of the good Soviet harvest.

In Communist China, the early harvest--principally winter wheat and early rice--has been completed and is tentatively estimated to be 10-15 percent above last year's poor harvest. The acreage of late harvest grain appears to be somewhat larger than last year's. Growing conditions for the fall crops, although less favorable than a month ago, remain fair to good in most of the major agricultural areas. Barring unfavorable weather from now until these grains are harvested (September-November), the fall grain harvest may equal or possibly exceed last autumn's estimated 117 million tons (excluding tubers). Assuming tuber production equal to last year's estimated 27 million tons (grain equivalent), the total harvest of

grain and tubers in 1964 may possibly exceed the 175-180 million tons produced last year.

Red China's contracts with the West for the delivery of grain in 1964 so far amount to 5.3 million metric tons, worth about \$350 million. A deal with France is also under way for as much as 430,000 metric tons.

The North Vietnam situation continues to be favorable. The spring rice crop may have equalled the record harvest of 1959, and growing conditions for the important fall rice crop were favorable through early August. Prospects are poor in North Korea, where drought and a typhoon have damaged rice and corn.

Several aspects of Cuban foreign trade for the first half of 1964 reflect intensified efforts to boost the domestic food supply. The first seven months of 1964 saw record imports of fertilizer and a continued increase in imports of foodstuffs.

Cuba's sugar harvest is estimated to have been about 3.8 million metric tons, the same as in 1963. Sugar exports for the first six months of 1964 were 2 million tons, also about equal to exports for the first half of last year.

The coffee harvest has begun, and because of the damage caused by hurricane Flora last year, will probably be below average.

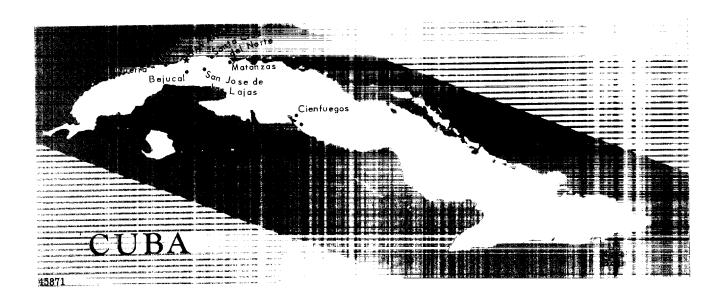
This year's hurricane, Cleo, apparently did no significant damage to crop areas.

25X1

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY



The Communist World

25X1

RECENT MILITARY DEVELOPMENTS IN CUBA

A cruise missile storage and support area established at Guerra in late 1962 has been moved to San Jose de las Lajas, southeast of Havana. San Jose is more centrally located and is less vulnerable to maritime raids. In addition, construction activity at La Sierra, near Cienfuegos, suggests that this site—abandoned in November 1962—may be reoccupied.

Small amounts of Soviet military supplies and some equipment continue to arrive in Cuba.

25X1

25X1

Two Soviet SO-1 - c ass subchasers towed by Soviet mayal tugs
also arrived in Cuba during August.
Three other SO-1s delivered last
winter, on which Cubans have been
training, were recently transferred
to the Cuban Navy. Other Sovietsupplied naval craft, usec primarily for coastal patrol and antiraider activity, includes six
Khronshtadt-class subchasers, 24
P-4 and P-6 torpedo boats, and 12
Komar guided-missile boats.

25X1

CHINESE MERCHANT FLEET EXPANDING INTERNATIONAL OPERATIONS

Peiping is expanding its international shipping operations and is stepping up domestic construction and purchases of Western ships to bolster its merchant fleet.

Chinese vessels have recently begun operating a new cargo line between Shanghai and Nampo, North Korea. A Netherlands trade delegation, just back from China, indicated that Chinese ships will start calling at Dutch ports before the end of the year. The Chinese are also interested in opening a shipping service to Japan and to African ports.

Until recently most of Peiping's international shipping activity had been limited to Southeast Asia with only very limited service to Africa and Europe. In the last few months, however, Chinese cargo ships have made five trips to Mediterranean ports and have called at Japan, North

Korea, Zanzibar, and Tanganyika for the first time.

Now that Chinese trade with the free world is increasing, more of Peiping's trade will be seaborne and an increased amount will probably be carried in its own ships. This year, Peiping has built several dry-cargo snips for its merchant fleet. It has also purchased several more in the West, its first significant purchases of Western vessels since 1961. In addition, British, French, Dutch, and Japanese shipbuilding delegations, which visited Peiping this year, have apparently concluded some deals for vessels possibly in the 10,000-ton to 15,000-ton class.

Peiping's international shipping operations are still limited, however, and the bulk of its seaborne trade will continue to be carried in foreign bottoms.

25X1

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY

The Communist World

CHEMICAL FERTILIZER AVAILABILITY IN COMMUNIST CHINA

The total of domestic and imported chemical fertilizer available in 1964 will probably remain at the 1963 level of about 4.5 million tons, far short of China's needs. The regime's plans for future production are still modest even though Chinese literature has recognized chemical fertilizers as offering the most promising path to higher agricultural yields.

Efforts to expand the industry during the recent years of agricultural crisis will raise output in 1964 by about 40 percent over 1960. Domestic production this year will probably increase about 20 percent over 1963 to reach 3.5 million This increase, however, will probably be offset by a cut in imports. Imports from Japan this year have about doubled over 1963, but there have been drastic cuts in purchases from NITREX, the European combine which supplied most of China's previous imports.

The industry appears to have achieved full capacity production after several years of serious technical difficulties in operating and maintaining the complex equipment in the larger and newer plants. Improved use of existing facilities and supplies of raw materials made possible the high percentage in-

creases in 1963 and 1964 but has just about reached the end of the line where further increases are concerned.

At least five more new plants are scheduled for the industry. Three of the seven large nitrogenous fertil zer plants started in 1958 have yet to be completed and one or two plants from Italy and a British-Dutch urea plant have yet to be The completion of delivered. these plants and further expansion of existing plants may raise domestic output by 1967 to substantially more than 4 million Imports to supplement this production will be limited by world availability to a maximum of about three million tons.

The press once mentioned an unofficial domestic production goal of eight million tons by 1972. To meet this goal, however, sustained heavy investment will be needed in supporting fields such as machine building and mining as well as in the chemical fertilizer industry it-Technical difficulties, self. although apparently diminishing as experience is gained in the equipment characteristic of the industry, are likely to persist and retard expansion for some years to Even if the eight-millionton goal is achieved, the available fertilizer will still meet only a small part of China's needs.

25X1

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

Asia-Africa

KHANH RESUMES LEADERSHIP IN SOUTH VIETNAM

General Khanh resumed active leadership of the caretaker government after having briefly absented himself in Dalat. A government spokesman claims that Khanh has received new affirmations of support from Vietnam's military leadership. The status of the ruling military triumvirate of Khanh and Generals Khiem and Minh established last week is unclear.

The situation remains volatile. The Buddhists promised a two months' moratorium of their protests to permit the organization of a more democratic, civilian-oriented government. They are now threatening a two-day fast to protest alleged police brutality toward arrested Buddhist rioters. The Buddhists had already induced the government to release all but 16 of 509 demonstrators arrested in the wake of last week's religious rioting in Saigon.

The long-simmering dispute between Khanh and southern Dai Viet leader Nguyen Ton Hoan erupted this week into an acrimonious public exchange resulting in Hoan's resignation as deputy premier for pacification. The Dai Viets enjoy considerable army support, particularly by certain commanders of troops in and around Saigon. If Khanh continues to try to reduce Dai Viet influence, he might provoke a coup attempt.

Student leaders in Saigon appear to be abiding by the womonth moratorium which they along with the Buddhists, granted he government. In the important northern cities of Hue and Ja Nang, however, student agita ion is continuing. In Hué, a new "People's Revolutionary Council" has been formed under the leadership of extremist professors. The Council's initial communiqués call for sweeping democratic reforms, but deny that it considers itself to be an autonomous government for Central Vietnam. In Da Nang, student vigilante groups have been ferreting out former

The Viet Cong appear to be pursuing at least a short-term policy of watchful waiting in connection with the crisis. In the week ending on 29 August, the rate of enemy military activity dropped substantially from that of the previous week.

25X1

25X1

SECRET

Diemists.

Asia-Africa

LAOS TALKS MAKE LITTLE PROGRESS

Laotian leaders meeting in Paris have failed to achieve any substantial progress in their efforts to ease the current political and military impasse.

Premier Souvanna, in initial talks with Pathet Lao chief Souphannouvong, has shown little inclination to compromise. On 28 August he proposed that the rival forces jointly occupy the Plaine des Jarres, which has been under Communist control since the outbreak of fighting last spring. The Communists have in effect rejected this, terming it a "cover" for rightist penetration of "liberated areas."

Pathet Lao chief Souphannouvong, for his part, has put forward what appear to be maximum positions on several key issues. He has called for an end of US support to Souvanna, undertaken without tripartite approval, citing particularly the operations of Air America in supplying relief provisions to refugee groups throughout the country. The Communists have also reiterated their demands that T-28 attacks against

Pathet Lao positions cease and that the cabinet existing prior to the rightist coup of last April be restored.

In spite of these divergences, the Lao leaders have continued to express optimism over chances for some sort of agreement. Souvanna's room for maneuver, however, appears to be narrowly circumscribed by the opposition of strong rightist elements to any accommodation with the Pathet Lao. If Souvanna, under pressure from the French as well as the Pathet Lao, were to make major concessions, rightist elements might unite to overthrow his coalition government

The military situation remains generally quiet. Rightist forces, however, are continuing their clearing operations against scattered Pathet Lao units west of Vang Vieng and Muong Kassy, while Meo guerrillas have begun efforts to retake territory southeast of the Plaine des Jarres which was lost to the Pathet Lao earlier this year.

25X1

AREA NOTE

India: Nationwide demonstrations led by each of the two factions of the divided Communist Party have failed to establish either wing as the leader of the urban discontent over food prices and shortages. Government firmness, lack of support from the non-Communist opposition parties, and accelerated efforts to reduce prices and improve distribution

have greatly lessened the effectiveness of the protests.

Nevertheless, the strain on India's public security is likely to continue until the October harvests. September may be the most trying period, especially if the opposition parties carry through with plans to call a 24 hour nationwide strike.

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

lage 7

4 Sept 64

Asia-Africa

AFGHAN KING PUSHES CONSTITUTIONAL REFORM

The future of the reformminded, pro-Western Afghan Government under King Zahir Shan
and Prime Minister Yusuf faces
a major test next week. An extraordinary congress of tribal
chiefs has been called to pass
on proposals for a more liberal
constitution. The "Pushtoonistan" issue--Kabul's long-standing demands for self-determination for Pushtoon tribes living
across the border in Pakistan-probably will also be discussed.

The government's plans include establishing a more modern and independent judiciary, granting increased power to the legislature, and limiting the monarchy by formally separating it from the executive branch of the government. Despite this last feature, the King is keenly aware that the orderly development of more democratic institutions will require his own firm support for the foreseeable future. Indeed, Zahir's support and guidance has been essential in bringing the cabinet and constitution drafters to the present stage of the long-term reform plans.

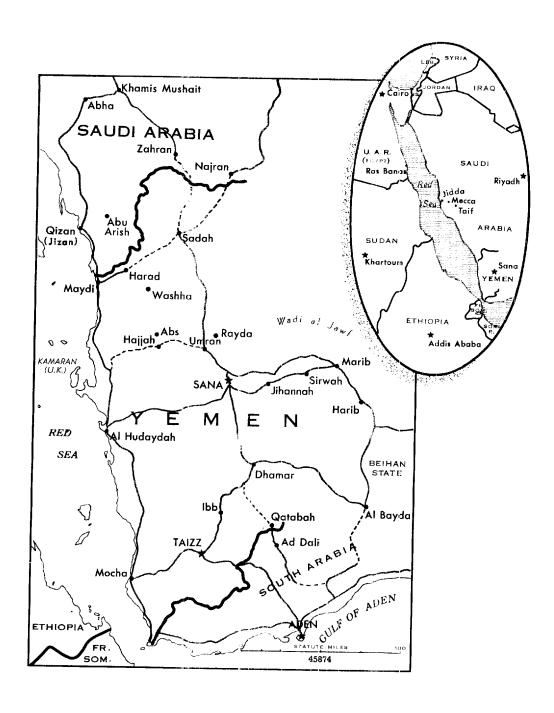
The King's cousin, former prime minister Prince Daud,

leads the opposition. He ruled the country with an iron hand for ten years until his resignation in March 1963. Daud specifically objects to provisions excluding members of the royal family from the cabinet. The King designed this exclusion to allay some fears that Daud might one day return to power.

The tribal elders seem likely to support the King, despite qualms about liberal reform, disappointment over the King's moderate Pushtoonistan policy, and a possible attempt by Daud to address the congress. Zahir remains the most powerful and most popular national leader. After over a year of cautions maneuvering against Daud and his followers, Zahir has been increasingly firm dealing with

25X1

SECRET



25X1



Asia-Africa

CYPRUS TROOP ROTATION CRISIS DEFERRED

The Turkish Government is facing mounting domestic criticism in the wake of its agreement to postpone "for a short time" the rotation of part of its army contingent on Cyprus. President Makarios adamantly refused to grant permission for the rotation which had been scheduled for 31 August. The Turkish decision put off for the moment what threatened to be a showdown with Nicosia and Athens.

Inonu called the Grand National Assembly into special session on 3 September to discuss Cyprus-prus-primarily in the light of the collapse of negotiations at Geneva-and is expected to ask for a vote of confidence. As the opposition parties appear poorly prepared and disinclined to take over while the Cyprus dispute continues, the government appears likely to survive.

Bitterly critical reports in the Turkish press, alleging that the US is supporting a "Greek solution" for Cyprus, had led to anti-US demonstrations in major Turkish cities. The government, which may have given tacit approval to some of the earlier demonstrations, now appears to have taken the necessary precautions to keep the situation under control.

In a communiqué following Makarios' recent visit to Nasir, Egypt pledged to support (yprus in defending its territory against intervention and joined in condemning foreign military bases in the area. Greek Cypriot press reports that Nasir promised large amounts of military aid have not been confirmed.

25X1

Makarios recently renewed his call for enosis—union with Greece—but insisted that Cyprus be demilitarized. This would rule out not only future military bases, but the existing two British bases as well. Makarios probably hopes by this means to pose as leader of the long-time drive for enosis while retaining the diplomatic support of the Soviet bloc and the nonaligned nations for the UN General Assembly session beginning in November.

On Cyprus, there is growing belief among UN and US officials that new violence is likely if the economic blockade of the Turkish Cypriots continues. The Greek Cypriots eased the restrictions somewhat this week.

SECRET

4 Sept 64

25X1

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 10

Approved For Release 2008/06/30 : CIA-RDP79-00927A004600030001-0

Asia-Africa

but supplies of food, fuel, clothing and medicines remain dangerously low.

There has been little change in the military situa-

tion, although the Greek Cypriots have improved their tactical positions in the northwest to increase the effectiveness of their siege of Turkish Cypriot areas.

25X1

CONGO GOVERNMENT GAINS IN KATANGA

The over-all Congo military situation has brightened some-what with government gains in the south. The rebels in the north, however, continue to move unopposed down the Congo River from Stanleyville, because the government has no dependable reinforcements.

The northern rebels now control Lisala on the Congo River, and face little opposition from there through Coquilhatville to Leopoldville. The insurgents' rapid advance may stimulate disorders in the capital.

There appears to be no opposition to the rebel occupation of both Kibali-Ituri and Uele provinces. The insurgents have expanded their control to the Sudan border at Aba in Kibali-Ituri, and are reportedly at Bondo on the western border of Uele Province. The fall of Bunia in eastern Kibali-Ituri may be imminent.

Government forces retain the initiative in the south. The capture of Albertville, the rebel capital, on 31 August by some 1,000 army troops moving from Kabalo was the most gramatic victory. Manono, the last rebel stronghold in Katarga, has also been recaptured. Bukavu, the capital of Kivu Centrale Province, remains in government control and the morale and physical condition of the army garrison there improves daily.

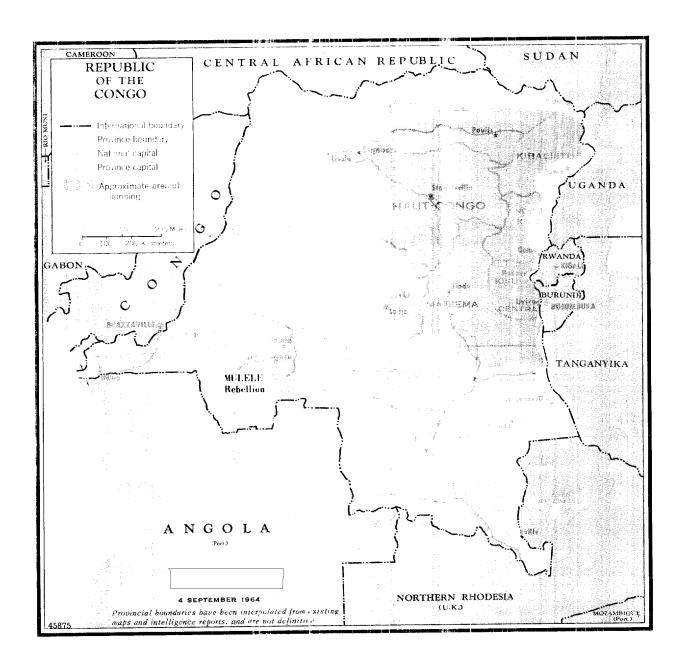
Mercenaries continue to arrive, mainly from South Africa. This polyglot group of South Africans, Southern Rnodesians, British, French, Italians, and Portuguese, now 400 strong, figures prominently in Belgian military plans for the Congo.

In Leopoldville, Antoine Gizenga, silent since his recent release from prison, now openly opposes Tshombe. The leftist former Stanleyville

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY



25X1

Asia-Africa

leader has denounced Tshombé, the US, and Belgium, and has announced the formation of a new "united" Lumumbist political party.

25X1

The rebel leaders are apparently gathering in Stanleyville and may announce a dissident regime prior to the upcoming emergency meeting of the Organization of African Unity (OAU).

The rebel regime in Stanleyville has been beset with problems involving the local population and parts of the rebel army. Control may now be improving, for the city's rulers have recently indicated that they will permit renewed civilian aircraft flights to Stanleyville.

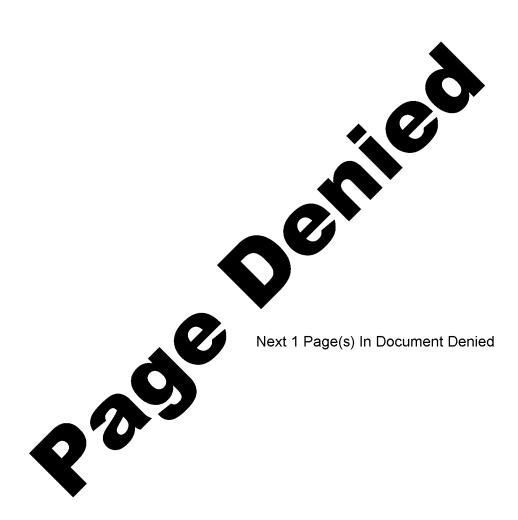
Some of Tshombé's original political supporters are now complaining that he is making major decisions without consulting them. They also say that his prestige is dropping sharply in the provinces. This sentiment seems to fluctuate with the defeats and successes of government forces, but it may become a problem for Tshombé.

The OAU ministerial council is still scheduled to meet on 5 September in Addis Ababa despite an eleventh-hour postponement attempt by Leopoldville. The radical African states will seek ways to enhance the statu of the "nationalist" rebels an to involve the OAU directly in the search for a political sol. tion. Some of the moderates, notably the Tunisians and Tanganyikans, also strongly favor "negotiations" among contending Congolese but most of them wil be wary of setting precedents for OAU intervention in a coun try's internal affairs.

Some type of OAU "inquiry or "good offices" commission a Leopoldville's "invitation" ma be the chief outcome of the menting. The Ethiopians evidently plan to press for such a body, composed of representatives of seven moderate and three radical African states, to establish a OAU "presence" in the Congo. The OAU is unlikely to recommend military support of the Leopoleville government, at least not while Tshombé is around. Continuing publicity about his recruiment of white mercenaries -- especially South Africans-has forther undermined his position even with the moderates.

25X1

SECRET



Europe

25**X**6

AREA NOTE

Italy: The presidential succession question has aggravated the general uncertainty over the stability of the Moro cabinet. Unless the coalition parties can agree on a candidate, a government crisis will probably result. A solution to the succession problem will be a major preoccupation of the Christian Democrats' national congress next week. Failure to agree on a center-left candidate might put the Communists and the right in a strong position to influence the outcome of the election.

Strains within the coalition will also intensify if an expected recession occurs. The first Moro government's economic measures were aimed primarily

at curbing inflation and cutting the large balance-ofpayments deficit. In the process, however, deflationary forces were generated which now threaten production and employment levels. The 31 August decrees of the second Moro government included new measures against inflation but reflect increasing awareness of the need to forestail an industrial slump. current economic situation could sharpen differences within the government parties between those who urge restrictive policies to arrest inflation and those who feet the time has come for credit liberalization to avert recession and unemployment.

25X1

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY

Europe

DISSENSION IN THE SPANISH COMMUNIST PARTY

In recent months dissension has plagued the small, illegal Spanish Communist Party (PCE). Pro-Chinese elements have formed their own organization, and the party has purged important proponents of a soft line in domestic affairs.

In June, the party's Moscoworiented central committee
publicly admitted the dissension in a declaration defending
the party program against attacks from the "ultraleft" and
from "right-wing deviationists"
who advocate a policy toward the
Spanish regime similar to that
followed by Togliatti in Italy
before his death.

The pro-Chinese Communists broke with the PCE in February and organized the Marxist-Leninist Spanish Communist Party (Emilistas). They took no high-ranking PCE members with Their publication Mundo them. Obrero Revolucionario denounces the PCE central committee as revisionists. Members are largely younger workers and students, probably numbering no more than 400, and located principally in Paris and Madrid. They may have little effect on the present well-disciplined organization

of the PCE. They are known to the Spanish security police and their ability to effect the violent antiregime measures they advocate is questionable.

The Emilistas are less extreme than another proChinese group consisting of
Madrid University students
whose bulletin, El Comunista,
calls for violence, popular
armed insurrection and a
workers' militia to bring
about the immediate overthrow
of the Franco regime.

25X1

The rightist dissident faction advocates abandoning calls for general strikes and would accommodate Communist tactics to the liberalization program of the present Spanish Two of the rightist regime. leaders, Fernando Claudin and Federico Sanchez, were purged from the PCE central committee in late June. Since they were the top Communist intellectuals this may prove to be a more serious long-range disadvantage to the party than the defection of hard-line extremists.

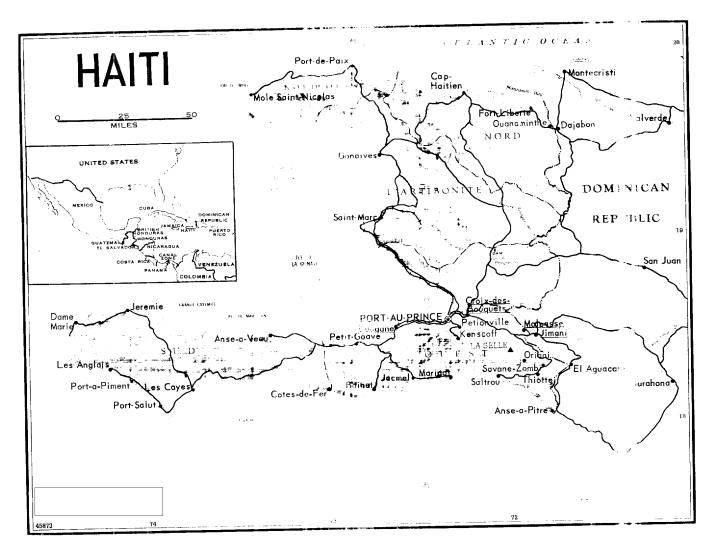
25X1

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY

Paire 16



25X1

CLASSIFIED MATERIAL ON REVERSE OF PAGE

Western Hemisphe &

HAITIAN REBELS STILL SUCCESSFUL

capital--with a concomitant reduction of forces elsewhere in the country.

Rebel forces in the southern regions of the country still harass government forces, inflicting moderate casualties. Rebel casualties have not been as severe as those suffered by the government. The Dominican Government has informed the Organization of American States that on 31 August a Dominican sentry was wounded at the Jimani border post by a shot fired from the Haitian side of the border. It also reported that a Haitian plane had overflown Dominican territory early on 1 September. The Haitian Government apparently planned these incidents, although the purpose is not yet clear.

has built up his forces at Croix des Bouquets and Leogane--sug-gesting that he intends to strengthen the defenses of the

A Haitian arms-purchasing mission is now in Nicaragua. New weapons would increase the Haitian military's ability to cope with the rebels, but the government will still have to overcome the poor morale brought on by its inability to eradicate the rebels and by the numerous casualties its troops have suffered.

BRAZILIAN GOVERNMENT FACES GROWING POLITICAL PRESSURES

Political pressures on the Castello Branco government in Brazil are increasing. Critics of the administration are seeking policy changes primarily by trying to split the govern-

ment or by forcing it to adopt authoritarian rule. The regime apparently is still firm that its efforts to control inflation and initiate other social and economic reforms must continue on the present moderate course.

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY

Page 1

25X1

25X1

25X1

Western Hemisphere

Recent events have focused attention on two of the most important sources of political opposition to the government: the leftists and opportunists who, to varying degrees, supported the ousted Goulart government; and the military's "hard-line" elements who favor greater revolutionary vigor in rooting out communism and corruption.

The first of these elements was responsible for the issuance on 24 August--the tenth anniversary of dictator Getulio Vargas' death by suicide--of two manifestos denouncing the present government. One manifesto, put forth by the Vargas-founded Brazilian Labor Party (PTB), was the first formal declaration of opposition to the government to be made by a major political party. It excited little enthusiasm, however, even among PTB members. The second manifesto, signed by exiled ex-president and Vargas protegé Joao Goulart, was less inflammatory but created a considerable stir after being read aloud in Congress by the PTB leader of the lower house.

The government replied to the Goulart letter three days later in a tough, well-publicized statement by War Minister Costa e Silva warning that those who sought to givide the administration by criticizing the military would never succeed. The exchange started rumors that the PTB leader who read the Goulart message would be prosecuted for subversion and even that Congress it-

self might be proscribed, although neither conjecture appeared war-ranted.

Military "hard-line s" have become increasingly disgruntled over what they regard as the government's "softness" in pursuing the revolutionary goals of removing corrupt or pro-Communist officials from power. The recent temporary release, by court order. of several prominent Brazilians widely regarded as prime targets of the revolution particularly annoyed this military group. They were especially chagrined also when one such figure--former marine commander Admiral Candido Aragao--was released from jail on a writ of habeas corpus and immediately took asylum in the Uruguayan Embassy. Former governor Seixas Doria, of the northeastern state of Sergipe, and others were quickly--and illegally--rearrested by military authorities as soon as they were freed on similar writs.

These problems do not yet appear serious enough to precipitate a showdown between the hard-liners and the Castello Branco administration. The President and his chief advisers have, by skillful political maneuvering, been reasonably successful so far in keeping the more militant revolutionists in line. If this group continues to increase in strength, however, the government may be forced to alter its course or its revolutionary pace.

25X1

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY

SHERET

Western Hem sphere

COLOMBIAN CAMPAIGN AGAINST COMMUNIST GUERRILLAS

The Colombian minister of war charged last week that the army had "lost the initiative" in its three-month-old campaign against the Communist guerrillas in the Marquetalia region. The army conducted a highly successful campaign against nonpolitical bandits during 1963. According to the minister, however, in its first encounter with Communist guerrillas the army lost its offensive spirit and reverted to the characteristic ineffectiveness of previous years.

The minister made his charges to a group of army officers, and he may have overstated his case for the shock effect. Nevertheless the army is experiencing real difficulties in its first encounter in many years with a highly organized, politically motivated force. After the easy successes against bandits last year, the unexpected tenacity of the Communists is demoralizing. It is difficult for the army to make contact, for the guerrillas "dissolve" in the face of an attack. They reappear later, usually ambushing the troops on some lonely mountain trail.

The Communist forces in Marquetalia are led by Pedro Antonio Marin, alias Tiro Fijo (Sure Shot). Tiro Fijo recently sent a long letter to several Liberal congressmen urging them

to influence the government to pull back its troops and abandon the campaign. Such action is unlikely, but a congressional debate would provide extremist congressmen with a platform for anti-army propaganda that would further damage army morage.

The major danger in delaying the Marquetalia campaign lies in the opportunity thereby given to the Communists of neighboring regions to prepare defenses.

25X1

gions, like Marquetalia, can be defended easily with ver few men. If Marquetalia becomes untenable, Tiro Fijo and his men may join the forces in Rio Chiquito and Guayabero, thus presenting the army with an even more formidable enemy force.

In addition to direct military operations, the army is conducting an extensive civic action program in Marquetalia and in other regions of Colombia. The program is designed to have the maximum favorable impact on the peasants in regions that have been out off from the government for many years, and it has generally been highly successful.

25X1

SECRET

4 Sept 64

CURRENT INTELLIGENCE WEEKLY SUMMARY



Approved For Release 2008/06/30 : CIA-RDP79-00927A004600030001-0

SECRET